

30 April 1963

MEMORANDUM FOR: General Carter

SUBJECT : Meeting with Mr. Amory

At a meeting with Bob Amory and members of his staff, the following points developed:

a. A deficit of \$15 billion in FY 1965 has been estimated and the President has expressed himself as determined to reduce Government expenditures. A recent Cabinet meeting was devoted to this subject and a meeting with a somewhat broader attendance will be scheduled later this Spring.

b. As part of the effort to reduce expenditures, the Agency is asked to review its activities category by category pursuant to the instructions in the letter from the Bureau of the Budget dated 20 April 1963 (copy forwarded on 25 April 1963). Our report would comment on factors which make it possible or impossible to undertake a reduction from proposed FY 1964 levels (i.e., in the category of foreign broadcasting within the program activity OVERT COLLECTION, estimated [ ] in FY 1964, no reduction is possible and requirements for renovation of equipment will probably increase the cost in this category over the next four years.)

c. Bob Amory reminded us that the next report on the balance of payments problem is due June 15th. He said that [ ] in contrast with [ ] is inclined

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to be very tough on this problem. I told Bob that I thought that we had pretty fully explored substantially all practical ways of conducting our present programs in such a way as to minimize the dollar drain. The only practical way in which we can make any further reduction of foreign currency transactions is to eliminate activities.

d. Bob indicated that the ceiling on expenditures given in the BOB letter of 20 April 1963 [redacted] in FY 1965, etc.) was not intended to include paramilitary programs of the SWITCHBACK variety. I indicated other areas which are not under our unilateral control such as Commo and areas where the pressures to expand are substantial, such as NPIC, which might make it difficult for us to accept and live within an arbitrary fiscal ceiling.

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e. Bob advised us that [redacted] has been charged with reviewing the Intelligence Community budget and is meeting with Bureau of the Budget representatives for this purpose.

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f. The Secretary of Defense will receive the "Intelligence Package" for budgetary review late in May.

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[redacted]  
JOHN A. BROSS

cc: Mr. Kirkpatrick